		<u>A</u>	<u>ction Iter</u>	<u>n 9</u>

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA COMMISSION DIRECTIVE

ADMINISTRATIVE MATTER		DATE	May 26, 2022
MOTOR CARRIER MATTER		DOCKET NO.	2021-93-E/2022-107-E
UTILITIES MATTER	✓	ORDER NO.	

SUBJECT:

DOCKET NO. 2021-93-E - Dominion Energy South Carolina, Incorporated's Request for "Like Facility"

Determinations Pursuant to S.C. Code Ann. § 58-33-110(1) and Waiver of Certain Requirements of

Commission Order No. 2007-626 (This Filing Does Not Involve any Change to the Retail Electric or

Natural Gas Base Rates);

-and-

<u>DOCKET NO. 2022-107-E</u> - <u>Petition of Dominion Energy South Carolina, Incorporated for an Accounting Order Related to Retirement of Certain Electric Generating Units</u> - Staff Presents for Commission Consideration Dominion Energy South Carolina, Incorporated's Petition for an Accounting Order Related to Retirement of Certain Electric Generating Units.

COMMISSION ACTION:

I move that the Commission grant Dominion Energy South Carolina, Incorporated's (DESC) petition for an accounting order for regulatory purposes which will allow the company to track the costs as outlined below for potential retirement of nine (9) Combustion Turbine plants as follows:

This process will allow the commission the ability to evaluate the prudency of these proposed retirements in a subsequent general rate case or other proceeding.

DESC is authorized:

- (1) to reclassify its net carrying values in its investment in the Retired Units to unrecovered plant regulatory asset accounts (FERC Account 182.2 Unrecovered Plant and Regulatory Study Costs) upon their retirement;
- (2) to recognize additional costs incurred related to the potential early retirement of the Retired Units to the unrecovered plant regulatory asset accounts (e.g., dismantlement costs and other costs incurred related to the retirement, net of any salvage or recovery proceeds that may be received);
- (3) to include its carrying value in the obsolete inventory, which is currently estimated to be less than \$100,000, in the unrecovered plant regulatory asset accounts;
- (4) to record any disposition salvage proceeds received as a credit (reduction) to the unrecovered plant regulatory asset accounts;
- (5) to amortize the balances in the unrecovered plant regulatory asset accounts in amounts equal to the level of depreciation expense previously being recorded for the units at their retirement, with such amortization to begin upon the Retired Units being removed from service and continuing until the unrecovered costs are fully recovered; and
- (6) to reclassify the \$1.1 million in negative carrying value for the Hardeeville unit to a regulatory liability account (FERC Account 254 Other Regulatory Liabilities). DESC is authorized to recognize additional costs incurred related to the potential retirement and dismantlement of the Hardeeville unit as a reduction to this regulatory liability and to credit any salvage proceeds received as an increase to the regulatory liability. However, DESC is required to propose an appropriate manner to return any balance in this regulatory liability to customers in a future rate setting proceeding.

It is further ordered that the Commission, ORS, or any interested person or party of record, is NOT prohibited or precluded from addressing the reasonableness of, or the recovery of, the costs; including but not limited to, the costs incurred related to the dismantlement and potential retirement of the Units, carrying costs, obsolete inventory costs and salvage proceeds, and the amortization periods of such unrecovered costs in a subsequent general rate case or other proceeding.

I further move that the Commission and ORS shall monitor the Items (1) through (6) above prior to DESC's next general rate case and therefore, DESC shall:

- (a) file annual updates as of December 31st of each year on each of the requested items (1) through
- (6) with the Commission, ORS, and any other interested party;
- (b) make every reasonable effort to sell the obsolete inventory and the proceeds from the sale be used as a credit (reduction) to the unrecovered place regulatory assets accounts.
- (c) notify the Commission, ORS, and any other interested party of the actual retirement date for each of the proposed Retired Units as they are retired from commercial operations.

PRESIDING: <u>J. Williams</u>			SESSION: Regu	ular TIME: 2:00 p.m.
	MOTION	YES	NO OTHER	
BELSER		✓		Present in Hearing Room
CASTON		✓		Voting via WebEx
ERVIN		✓		Voting via WebEx
POWERS		✓		Voting via WebEx
THOMAS			Absent	Annual Leave
C. WILLIAMS	✓	✓		Present in Hearing Room
J. WILLIAMS		✓		Present in Hearing Room
				RECORDED BY: 1 Schmieding



ACCEPT
ACCEPTED FOR PROCESSING - 2022 May 27 9:02 AM - SCPSC - 2022-107-E
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